

## **CHAPTER 50-21 NURSING HOMES AND HOMES FOR AGED**

**50-21-01. Revolving loan fund - Appropriation.** The revolving loan fund must be maintained for the purpose of making loans to nonprofit corporations for the construction or reconstruction of nursing homes, basic care facilities, or combination nursing homes and basic care facilities. All funds transferred into the fund, interest upon moneys in the fund, and collections of interest and principal on loans made from the fund are hereby appropriated for the purpose of providing loans in accordance with the provisions of this chapter.

**50-21-02. Administration of revolving fund.** The revolving fund and loans made therefrom must be supervised and administered by the Bank of North Dakota. All applications for loans under the provisions of this chapter for the construction of nursing homes or combination nursing homes and basic care facilities must be made to the state department of health, which department is authorized, subject to the approval of the North Dakota health council, to promulgate such rules and regulations as may be necessary to carry out the provisions of this chapter. All applications for the construction of basic care facilities must be made to the state department of health, which department shall promulgate such rules and regulations as may be necessary to carry out the provisions of this chapter. Applications approved by the state department of health and the North Dakota health council must be forwarded to the Bank of North Dakota. Upon approval of such application by the president of the Bank of North Dakota, loans must be granted by the Bank of North Dakota from the revolving fund in accordance with the provisions of this chapter.

**50-21-02.1. Revolving fund deposited in state treasury - Expenditures.** The revolving fund must be maintained in the state treasury. All expenditures therefrom must be paid by warrant-check prepared by the office of management and budget upon vouchers submitted by the president of the Bank of North Dakota as approved by the office of the budget.

**50-21-03. Amount of loan - Terms and conditions.** Loans in an amount not exceeding one-half of the cost of construction or reconstruction including the cost or value of real estate upon which the facility is located and in no event exceeding one hundred fifty thousand dollars to any one applicant shall be made by the Bank of North Dakota to nonprofit corporations to be used in the construction or reconstruction in this state of nursing homes, basic care facilities, or combination nursing homes and basic care facilities. Such loans must bear interest at the rate of seven percent per annum and must be repayable in the manner prescribed by the president of the Bank of North Dakota within a period of not more than twenty-five years. In addition, in consideration of the granting of the loans, each nonprofit corporation shall execute a contract with the state to operate such basic care facility for a period of not less than twenty years and to operate and maintain the basic care facility in accordance with the standards prescribed for the licensing of such basic care facility by the state department of health. Such contract must also require the nonprofit corporation to maintain facilities for not less than five persons referred to such basic care facility by any county social service board. Such contract must also provide that if the use of such basic care facility is discontinued or if it is diverted to other purposes, the full amount of the loan provided under this chapter immediately becomes due and payable. Loans may be made only to an applicant who is not receiving other loans or grants of funds from this state for such construction or reconstruction. Payments of interest and principal upon such loans must be made to the Bank of North Dakota and credited to the revolving fund.

**50-21-04. Standards - Administration procedure.** The state department of health, subject to the approval of the state health council, shall establish standards of construction which must be followed by all applicants receiving loans of funds for the construction of nursing homes or combination nursing homes and basic care facilities. The state department of health shall establish standards of construction which must be followed by all applicants for loans for the construction of basic care facilities. The health council, in the case of the construction of nursing homes or basic care facilities or combination nursing homes and basic care facilities, shall approve all building plans and specifications for any facilities to be constructed in whole or in part

with loans of funds provided under the provisions of this chapter prior to the disbursement of any such funds. Administrative procedures established by the state department of health with the approval of the health council must, except to construction standards, be in general in accordance with the procedures established for the administration of the federal grant-in-aid program for similar purposes under the Hill-Burton Act, or federal acts supplemental thereto.

**50-21-05. Powers of Bank of North Dakota.** The Bank of North Dakota is authorized to do all acts or things necessary to negotiate said loans which specifically includes the power to take such security as prescribed herein and to bring suit against any nonprofit corporation in order to collect interest and principal due the revolving fund under contracts and notes executed to obtain loans under the provisions of this chapter. In the event the applicant's plan for financing the construction or reconstruction of the facilities provides for a loan of funds from sources other than the state of North Dakota, then the state of North Dakota shall take a second mortgage upon the facilities constructed or reconstructed from the proceeds of the loan.